

**Renewable Technology Program**

**Proposed  
Workplan**

**Consumer  
Education  
Subaccount**

**Renewables Program Committee Draft  
November 24, 1997**

## **PRELIMINARY WORKPLAN FOR THE RENEWABLE ENERGY CONSUMER EDUCATION PROGRAM**

### **Background**

In its March, 1997 report to the Legislature the Energy Commission proposed allocating \$5.4 million of the \$540 million toward a consumer education program to further the development of a customer-driven market for renewables by: 1) encouraging customer participation in the renewables market; 2) encouraging direct access marketing by renewables; and 3) encouraging a role for aggregators and marketers of renewable power. The Energy Commission at that time envisioned the formation of a renewable energy information "clearinghouse" to generate and disseminate unbiased information on renewable energy options to the public as a means to educate consumers and encourage them to purchase "green" energy products.

Over 100 companies have already registered with the CPUC as future retail providers of electricity. Many of these companies are planning to market themselves to small commercial and residential customers as environmentally friendly companies. While it is encouraging that marketers are encouraging consumers to make environmentally-friendly purchasing decisions, we can expect that consumers will be wary of less established companies, skeptical of marketing claims, and confused about the different choices available. If we are to encourage the development of a market for renewable energy, consumers must be provided reliable, unbiased information that will help them make appropriate choices. Furthermore, this information must be provided to consumers as they are in the process of making preliminary decisions, not after. Consumer education on renewable energy issues must therefore begin as soon as practicable.

Another reason for educating consumers is to ensure consumer protection, and to prevent the kind of backlash that can destroy consumers' trust in the market. If consumers are misled, or if they even think that they are not receiving what they pay for, they may be reluctant to participate in the new competitive market. If a sustainable market for renewable energy is to be developed, consumers must have confidence in the market. While both the Federal Trade Commission and the State of California have environmental marketing guidelines that should help to protect electricity

consumers from deceptive claims,<sup>1</sup> consumer education will help to alleviate consumer wariness of the market by empowering consumers to cut through the marketing schemes and evaluate what they will get for their money.

The timing of the Renewable Resource Trust Fund does not match with the need for an early education campaign; funds will only begin to trickle in starting February of 1998. While the development of an information clearinghouse is still possible, it would not be feasible until mid-1998. Fortunately, other programs are in place to educate consumers about a variety of subjects relating to electricity restructuring. Several non-profit environmental and consumer groups, for example, have public outreach campaigns already underway to encourage consumers to “plug into clean power.” But by far the largest program to educate California consumers about the restructured electricity market is the \$87 million Consumer Education Plan (CEP) mandated by AB 1890.

AB 1890 requires investor-owned utilities (IOUs) to devise and implement a consumer education plan in conjunction with the CPUC, to educate customers about industry restructuring so that consumers will have the information necessary to make appropriate energy choices. The CPUC summarized the role and methods of the CEP in their August 1, 1997, decision as follows:

“It is through this educational effort that consumers will learn about choice in the new competitive market. This choice will foster the development of increased participation in direct access.

“In the coming months, this comprehensive and integrated educational effort will cover virtually the entire state with messages about electric restructuring, how it affects consumers, and what choices are available to consumers under this new competitive structure. Through mass media, a toll-free call center number, the mail, and outreach to various communities in this state, consumers will become educated about electric restructuring issues and how it affects them.”

The Energy Commission worked with the Electricity Restructuring Education Group — the body initially charged with developing the CEP for the IOUs — early on to ensure that renewable energy issues were among those considered in the CEP. The CPUC acknowledged that messages on renewables are appropriate for the CEP, and reiterated in the August 1, 1997 decision that the CEP development team (now the IOUs themselves) should coordinate with the Energy Commission for this purpose.

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<sup>1</sup> "Guides for the Use of Environmental Marketing Claims," 61 Federal Register 53311, October 11, 1996. Also, California Business and Professions Code, Division 7, Part 3, Chapter 1, Article 7, section 17580 and 17580.5.

## **Developing the Renewable Energy Consumer Education Program**

As discussed in the Report, information is the key ingredient necessary for the development of a sustainable customer-driven market for renewables. In developing an effective consumer education program, the Energy Commission must consider the immediate need to coordinate with the CEP for late 1997 and early 1998, the need for consumer education in the intermediate term (i.e. throughout the transition period), and the need for ongoing consumer education beyond the transition period. The approach proposed by the Energy Commission is organized around the objectives of each of these phases of restructuring.

### ***Task 1: Develop messages on renewables for the CPUC's education campaign***

#### **Description**

As described previously, the Energy Commission is working with the CPUC and the IOUs to develop the CEP to include messages on key renewable energy topics. By ensuring that messages on renewables are included in the CEP, the Energy Commission will be able to reach consumers statewide, and in a more timely manner than could be accomplished using funds from the Renewable Resource Trust Fund alone. Through the CEP, consumers will be made aware that there are choices they can make in the new market that will have an effect on the natural environment. In addition, by working within the CEP, the Energy Commission may be able to retain the majority of the \$5.4 million for more targeted education efforts over the remainder of the transition period.

#### **Status**

The Energy Commission has been involved in the review of questions and answers for the Electric Education Call Center, and in the development of brochures that will be mailed to consumers who request information about environmental issues. Related to this is the recent creation of an Energy Commission information call line (1-800-555-7794), which is set up to answer questions (about renewables or energy efficiency issues) referred to the Energy Commission by way of the Electric Education Call Center.

### ***Task 2: Develop and implement a consumer education plan on renewable energy issues for the transition period***

### **Description**

The Energy Commission's education plan for renewables must also address intermediate-term education needs that may arise during the course of the transition period. This includes reinforcing the messages delivered as part of the CEP, educating consumers about consumer rebates available through the emerging and customer credit accounts, and identifying and addressing "gaps" in consumer understanding of issues. Because funds allocated for this effort are not sufficient for large-scale education campaigns, the Energy Commission will look at creative ways of influencing the market, such as the use of public service announcements, school education programs, and delivering messages to targeted niches in the market. The Energy Commission will also look for opportunities to leverage these funds with funds from federal agencies or other sources. Because there will be ongoing consumer education efforts led by the CPUC, the Energy Commission will need to maintain a working relationship with members of the Electricity Education Trust (EET), the Consumer Education Advisory Panel (CEAP), and the CPUC's Consumer Services Division.

### **Implementation Plan**

The Energy Commission will retain the services of a market research consultant to facilitate the development of this intermediate-term education program by assisting the Energy Commission in identifying: 1) market niches that can be targeted for maximum effect; 2) what messages need to be reinforced to the general public; 3) new messages that can have a greater impact on consumer participation in the market; and 4) opportunities to coordinate with other organizations carrying out similar education campaigns. The consultant will use industry surveys, consumer focus groups, and stakeholder advisory groups as appropriate in conducting their market analysis. The Energy Commission will competitively solicit proposals to obtain the specialized assistance necessary to carry out the education activities identified by the consultant.

### **Schedule**

Issue RFP for market research consultant	Dec. 1997
Select consultant	June 1998
Complete marketing plan	July 1998
Begin implementing marketing plan	Aug. 1998

### **Funding**

The \$5.4 million allocated through SB 90 will provide the funding for this effort, including payment of the consultant's fees. It may be necessary to front-load the \$5.4 million because consumers will require more information at the onset of the transition period.

***Task 3: Develop a strategy for on-going consumer education on renewables***

**Description**

The Energy Commission's consumer education program should anticipate educational needs beyond the transition period and determine an appropriate ongoing role for the Energy Commission in addressing barriers to the development of a smoothly-functioning customer-driven market for renewables. The efforts undertaken by this phase of the program should include development and maintenance of a website with links to the CPUC's restructuring website, an information line with links to the CEP call center or any subsequent call center, and the development of brochures for ongoing distribution to consumers. This information should address new developments in the renewable energy market, policy issues that will affect consumers, a list of providers who offer to sell certified renewable power, explanations of how the electricity market is structured and how renewable energy technologies fit into the picture, details of specific technologies for consumers who would like more information, and basic information for new California electricity customers about how to participate in the renewable energy market. In addition, the Energy Commission will conduct education activities targeted towards school-children, who can play an important role by educating their parents about the relationship between energy and the environment. The Energy Commission is launching a poster contest designed to encourage children to think about renewable energy, and will continue developing new educational games for the Commission's website.

**Implementation Plan**

Development of the internal Energy Commission plan must be accomplished in conjunction with Task 2 of the Renewable Energy Consumer Education Program because there will be a certain amount of overlap between the two tasks. Many of the educational activities identified in the marketing plan from Task 2 may in fact be appropriate ongoing activities for the Energy Commission. The Energy Commission will ensure activities are planned with the input of renewable industry stakeholders and that ongoing educational efforts are coordinated with the efforts of other

educating organizations.

**Schedule**

Update website to include more information on renewables	ongoing
Begin operation of the Energy Commission call center	Nov, 1997
Begin developing supplemental educational materials	Jan, 1998

**Funding**

Funding for this phase should come primarily from the Energy Commission's internal budgeting process, with assistance from other organizations as appropriate. AB 1890 funds may be needed to develop some of the initial materials for this phase of the program.

ATTACHMENT

**Messages to use for the statewide CPUC-led education campaign**

**Note:** these messages were not written for consumers, but instead for use by the CEP lead agency in developing the final messages to consumers

- ( Renewable electricity is generated using fuel resources that do not run out, or are quickly renewed by regularly occurring events in nature. Renewable electricity generation technologies include wind (electricity generated when the wind blows), solar (electricity generated when the sun shines), geothermal (electricity generated from heat stored within the earth), biomass (electricity generated from plants, wood products, and waste), and small hydroelectric (electricity generated from the movement of water).
- ( All sources of electricity affect the environment, but renewable electricity technologies are among the more environmentally friendly resources consumers can choose. That's why renewable power is sometimes referred to as "green" or environmentally friendly power. Many of the public will hear both terms and wonder whether they mean the same thing. "Green" is a term that may also be applied to technologies with low emissions, such as new, modern, clean-burning natural gas generation.
- ( Choosing renewable power will help provide many benefits to the state of California, such as cleaning up the air, helping to create jobs for California workers, and establishing California as a world leader and exporter of renewable power technologies.
- ( Renewable power technologies are real technologies that have been a part of California's electricity system for decades. (Many consumers mistakenly think these technologies are electricity technologies from the 1970s that are not yet providing any benefit to California's electricity system.)
- ( Prior to deregulating the electricity market, the state of California was able to ensure that California's electricity mix included renewable power. In the competitive market, the responsibility lies with consumers.
- ( Making the decision to purchase power from renewables displaces other resources in California's power mix. By purchasing renewable power, consumers can "vote with their dollars" for a greater percentage of renewable power in California's power system.



- ( Consumers may find the price of renewable power to be higher than the price of power from non-renewable — usually "dirtier" — power resources. The prices consumers pay for power do not reflect the full cost of environmental impacts, so dirtier resources essentially get an environmental subsidy that allows them to keep their prices low. When consumers purchase renewable power, they are sending a message they are willing to pay for a healthier environment. As more and more consumers demand renewable power, the costs of production will decline and renewable generation technologies will become more competitive with fossil fuel technologies (while the first concept here is complicated, it is important not to mention higher prices without also saying why the prices tend to be higher).
- ( In recognition of benefits provided by renewable power, California law created a series of short-term programs designed to help develop a self-sustaining market for renewable power technologies (funded through the Public Goods Charge). One of these programs will reward consumers who purchase certified renewable power. Through this program, the California Energy Commission will award credits to consumers that purchase certified renewable power, that will be applied toward their electricity bill. These credits will be awarded for every kWh of renewable power they purchase. For more information call ....
- ( Consumers who would like to purchase renewable power should look at the power provider's power content label to make sure that the power purchased by the provider was generated by a certified renewable generator [contingent upon SB 1305 passing, requiring the use of power content labels].
- ( Also, electricity products bearing the "green-e" logo are certified as using clean, environmentally sensitive renewable power (see information attached). Companies using this logo have signed a Code of Conduct stipulating they will tell their customers about the sources of power they use. The California Energy Commission will certify companies bearing this logo, as well as other retail providers of electricity that claim to sell renewable power.
- ( Besides purchasing renewable power, consumers can help support the development of renewable resources in another way. Consumers can contribute money when they pay their electricity bill to a fund that will be used to help research, develop, and commercialize renewable power technologies.
- ( Reminder to consumers: consumers who purchase renewable power will receive the same level of reliability as consumers who purchase power from any other

provider.

- ( For further information about renewable electricity and how to purchase it, consumers can call the following places or visit the following websites (information on websites to be added later).